



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

January 20, 2006

Rosanne Palacios, Treasurer  
International Bank of Commerce Committee  
for Improvement and Betterment of the Country  
1200 San Bernardo  
Laredo, TX 78040

**Response Due Date:  
February 21, 2006**

Identification Number: C00276592

Reference: July Quarterly Report (4/1/05 – 6/30/05)

Dear Ms. Palacios:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule B of your report discloses a transfer(s) totaling \$7,500.00 to what appears to be a non-federal account of your committee. Please be advised that committees that make disbursements in connection with federal and non-federal elections and have established separate federal and non-federal accounts, must allocate their expenses pursuant to 11 CFR §106.6. Please provide further clarification regarding this transfer(s). The Commission recommends that you take steps to correct any non-compliance, and that you establish procedures to ensure future compliance with the allocation regulations.

-Your 2005 April Quarterly (1/1/05 – 3/31/05) and 2005 July Quarterly (4/1/05 – 6/30/05) Reports combined disclose no payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule(s) B supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be

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amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two-year election cycle beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e., rent, salaries, utilities, etc.) have been adequately disclosed. If volunteers have provided these services, please confirm this in writing.

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1157.

Sincerely,



Laura E. Sinram  
Campaign Finance Analyst  
Reports Analysis Division

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